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Congress of the United States House of Representatives

OVERSIGHT AND GOVERNMENT REFORM COMMITTEE

Chair, Subcommittee on Government
Management, Organization, and Procurement

Subcommittee on Domestic Policy

Subcommittee on Information Policy, Census
and National Archives

FOREIGN AFFAIRS COMMITTEE

Subcommittee on Africa and Global Health

Subcommittee on Asia, the Pacific and
the Global Environment

Subcommittee on Terrorism, Nonproliferation
and Trade

DEMOCRATIC SENIOR WHIP

CHAIR, Congressional Entertainment
Industries Caucus

December 1, 2009

The Honorable Charles B. Rangel
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Dave Camp
House Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel and Ranking Member Camp:

On October 26, 2009, I along with 18 bipartisan cosponsors introduced H.R. 3931, a resolution to amend the Internal Revenue Code of 1986 to extend for two years the expensing provisions in Title 26 of IRS Code Section 181 which are set to expire on December 31, 2009. These provisions allow a qualified film or television production to treat certain costs as an expense which is not chargeable to a capital account. We are writing to ask that you act as quickly as possible to ensure that these important provisions in support of a vital American industry are not allowed to expire, and are included in any upcoming legislative package of tax extenders.

These tax provisions were recognized as a key job creating initiative during the economic crisis last fall, and were extended as part of the Emergency Economic Stabilization Act of 2008. If they are allowed to expire as planned many film and television productions will likely choose to film in cheaper locations abroad, resulting in a major loss of revenue and jobs for our districts and the country.

According to a report by the Department of Commerce, *The Migration of U.S. Film and Television Production*, this outsourcing trend which began in the late 1990s costs the United States' economy up to \$10 billion per year and "has affected thousands of [U.S.] workers in industries ranging from computer graphics to construction workers and caterers." These provisions also target investment in areas that suffer from high rates of poverty and unemployment by increasing the deduction ceiling by one-third for productions filmed in areas designated as "low-income" or "distressed."

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Your committee staff has indicated that there are a number of tax provisions that you are looking to extend before December 31st, and we urge you to make this jobs and revenues boosting initiative a priority.

We look forward to working with you to ensure these provisions are extended before the impending December 31, 2009 deadline. If you have any questions, please contact my Legislative Assistant, Jillian Schlotter at (202) 225-7084 or jillian.schlotter@mail.house.gov.

Sincerely,




Diane E. Watson
Chairwoman, Congressional Entertainment Industries Caucus
Member of Congress



Joe Baca
Member of Congress



Mary Bono-Mack
Member of Congress



Lois Capps
Member of Congress



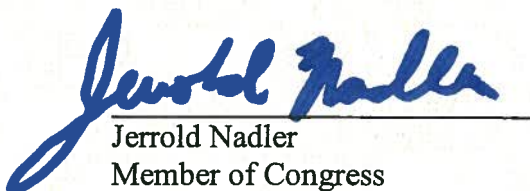
Jane Harman
Member of Congress



Michael Honda
Member of Congress



Henry Waxman
Member of Congress



Jerrold Nadler
Member of Congress